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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

Deputy Director for National Foreign Assessment

NFAC #3083-81

27 May 1981

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment
National Intelligence Officer for Warning

FROM : [REDACTED]
Associate Chairman, National Intelligence Council

SUBJECT : East Asia Warning Assessment (U)

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The following are the highlights from the Community Representatives' 20 May Warning Meeting. (U)

Japan: Deepening Leadership Crisis May Impact Adversely on Relationships with the United States

1. Since the summit meeting in the United States, the Japanese media and opposition seem to be maneuvering Prime Minister Suzuki into an increasingly difficult position that threatens his leadership and promises to strain the alliance relationship with the United States. The bitter internal debate over the "military alliance" with the US, the unprecedented resignation of the Foreign Minister, and -- in particular -- the Reischauer interview have complicated Suzuki's dilemma concerning the previously (and intentionally) ambiguous issue of nuclear weapons aboard US Navy ships visiting Japan. The danger is now that Suzuki may have either to back down and acknowledge a defacto change in Japanese policy barring introduction of nuclear weapons, or raise the question explicitly with the United States each time naval ships visit Japan. Even if Suzuki can finesse this crisis, he will be in a weakened position when his government begins budget deliberations in June. Should the budget ceiling set during those talks not permit significant increases in military spending at a time when the US defense budget is rising substantially, increasing questioning may well occur in the US of our alliance with Japan. (S)

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China-Vietnam Border Clashes

2. Both sides will almost certainly continue to provoke border incidents such as those that reportedly occurred on 5, 12, and 16 May. Virtually all warning indicators of a major attack remain negative, and we anticipate no major changes in the border situation in the near future. [REDACTED]

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25X1Kampuchea: Prospects for Coalition

3. Thailand and China continue to urge Son Sann to join with the Democratic Kampuchea (DK) forces in an anti-Vietnamese coalition prior to a UN conference on Kampuchea in July. While prospects for the early formation of a coalition of some sort are somewhat improved, its viability would be poor. (S)

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